

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2282 – HB 2163

March 10, 2014

SUMMARY OF ORIGINAL BILL: Prohibits local governments from enforcing Section 501.3 of the 2012 International Residential Code (IRC) prior to January 1, 2016.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown factors, a precise impact to commerce cannot reasonably be determined.

SUMMARY OF AMENDMENT (013581): Deletes all language after the enacting clause. Authorizes state and local governments, when enforcing Section 501.3 of the 2012 International Residential Code (IRC), to not observe the exemption given to fuel-fired appliances prior to January 1, 2016.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Section 501.3 of the 2012 IRC requires certain floor assemblies, when used to house mechanical or plumbing fixtures and equipment, to be provided with a one-half inch gypsum wallboard membrane, five-eighth inch wood structural panel membrane, or equivalent on the underside of the floor framing member.
- There are four exceptions to Section 501.3. Exception 2 says that floor assemblies located directly over a crawl space not intended for storage or floor assemblies located directly over fuel-fired appliances are exempt from the provisions of Section 501.3.
- The provisions of the bill as amended would authorize state and local governments to not observe the exemption given to fuel-fired appliances until January 1, 2106.

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- According to the Department of Commerce & Insurance, the department has adopted the 2009 IRC as the minimum state building codes for residences; therefore there will be no significant fiscal impact to the department or the approximately 100 local government jurisdictions inspected by the State Fire Marshall.
- Any fiscal impact to local government as a result of the bill as amended is estimated to be not significant.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original impact to commerce.

Assumptions for the bill as amended:

- According to the Department of Commerce and Insurance, approximately 50 local governments have adopted the 2012 IRC code.
- Due to multiple unknown factors, such as the extent of how much private businesses are currently saving due to the exception given to fuel-fired appliances, the extent of any business expenditures to comply with the provisions of the bill within the 50 impacted counties, and how such businesses will be impacted by no longer having such exemption, a precise impact to commerce throughout the state cannot reasonable be determined.
- Net impact to Tennessee jobs is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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